

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Olga Butcher

90-01168

Name of Respondent(s)

Prudential-Bache Securities Inc.
Robert Venezia

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on April 24, 1990.

Claimant, Olga Butcher, (Butcher) alleges that Respondent, Robert Venezia, (Venezia), while employed by Respondent, Prudential-Bache Securities, Inc. (PBS) purchased 10,000 units of a mortgage investors limited partnership at a price of \$10.00 per unit. Subsequently, the price of the units in the limited partnership fell to \$1.00 each.

Butcher alleges that Venezia and PBS failed to advise and disclose to her that the investment in the limited partnership was unsuitable for a person of her stated investment objectives, limited experience and sophistication and that the unsuitability therein was due to the lack of liquidity and risk to principal.

Respondents contend that the investment was well suited to her needs and investment objectives and was fully and fairly presented to her for her consideration. Respondents also assert that Butcher was free to reject any recommendations made by Venezia and had, in fact, done so previous to the investment at issue.

DAMAGES AND RELIEF REQUESTED

Claimant Olga Butcher seeks to recover compensatory damages in the amount of \$100,000.00, for such further damages in an amount to be shown according to proof at the time of the hearing, interest at the legal rate, and costs.

Respondents, Prudential-Bache Securities, Inc. and Robert Venezia seek dismissal of the claim, with prejudice.

DAMAGES AND RELIEF AWARDED

On December 13 and 14, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Olga Butcher on April 10, 1990 and by Respondent Prudential-Bache Securities, Inc. on June 19, 1990 and by Respondent Robert Venezia on June 18, 1990.

The hearing was conducted in Los Angeles, California and lasted 4 sessions. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents Prudential-Bache Securities, Inc. and Robert Venezia are jointly and severally liable and shall pay to Claimant Olga Butcher the sum of Forty Eight Thousand, One Hundred Dollars and No Cents. (\$48,100.00), together with interest thereon at the rate of 10% per annum commencing 30 days after service of the award.
2. Claimants claim for punitive damages is denied.
3. The parties shall each bear their respective costs including attorneys' fees.
4. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$750.00 filing fee previously deposited by the Claimant.
5. No forum fees are assessed.

Arbitrator(s) Signature

Luis R. Ruiz